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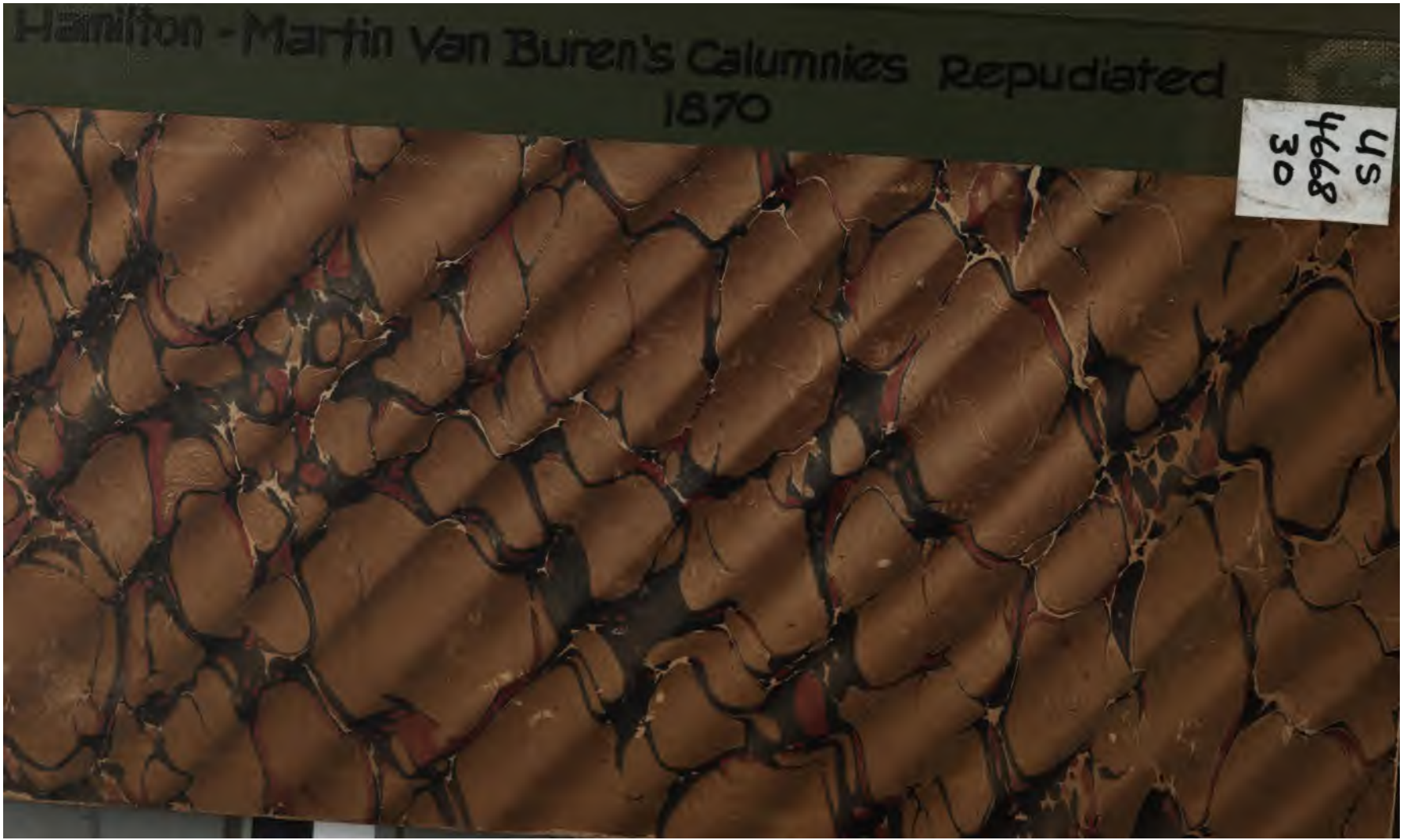
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HAMILTON'S CONDUCT

AS SECRETARY OF THE TREASURY

VINDICATED.

JAMES A. HAMILTON.

NEW YORK:
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AS SECRETARY OF THE TREASURY, VINDICATED.

INQUIRY

Into the Origin and Course of Political Parties in the United States, by the late ex-President Martin Van Buren. 1867.

We do not intend to review this work, but to refer to such parts of it as charge Alexander Hamilton with having (p. 203) "*been faithless to one of the most sacred trusts that can be placed in man.*" P. 214: "*Hamilton did more than any one—I had almost said, than all his contemporaries—to counteract the will of the people, and to subvert, by undermining, the Constitution of their choice.*" P. 215: "*Hamilton's course was an outrage upon liberty and a crime against free government.*" It is asserted (p. 234) "*of the great crisis in our national affairs,* the *fourth* crisis of our Government was Hamilton's attempt to make of the Government which had been established under it" (the Constitution) "*a delusion, and the Constitution a sham, to pave the way for its overthrow.*" (The italics are ours.)

It is remarkable that a gentleman, who, as Senator, Vice-President, and President of the United States, had become familiar with the legislation of the nation, the messages of its Presidents, and the published letters of Mr. Jefferson, *should have made such statements,* when that legislation, those documents and letters, establish the fact that some, if not all, the measures referred to were sanctioned as well by Congress again and again, as by Presidents Washington, Jefferson, Madison,

Monroe, and others, as will appear by the following examination.

It is undeniable that Hamilton, as Secretary of the Treasury, urged upon Congress the adoption, 1st, of a Bank of the United States; 2d, the assumption of the debts of the States incurred in the prosecution of the War of Independence; 3d, a Funding system; and, 4th, the protection of Domestic Manufactures; that laws were passed by the first Congress under the Constitution, to carry into effect these measures, and approved by President Washington. See vol. ii., Laws of U. S., *Protection*, pp. 2, 176; *Assumption*, pp. 123, 127, 174; *Funding System*, pp. 123, 186; *Bank*, pp. 194, 200.

Van Buren (p. 171) says: "I have already spoken of the extent to which the public mind was excited by Hamilton's measures. Large portions of the people regarded the most prominent among them as violations of the Constitution." He does not refer to any evidence on which these assertions are founded. We now produce conclusive proof that they are untrue.

Mr. Jefferson (Secretary of State when these measures were adopted), in a letter to William Carmichael, dated Philadelphia, May 17th, 1791, says: "The term of the first Congress expired on the 3d instant. They separated on that day, much important business being necessarily postponed. New elections have taken place for the most part, and very few changes made. This is one of many proofs that the proceedings of the new Government have given general satisfaction."

Mr. Jefferson to Fulwar Skepwith, Philadelphia, May 13th, 1791: "In general, our affairs are proceeding in a train of unparalleled prosperity. This arises from the real improvements in our Government; from the unbounded confidence reposed in it by the people; their zeal to support it, and their conviction that a solid union is the best rock of their safety;" * * * "from the favorable seasons, and from the growth of industry, economy, and domestic manufactures; so that I believe I may say with truth, that there is not a nation under the sun enjoying more present prosperity, nor with more in prospect."

The same to Colonel Humphries, July 13th, 1791: "Our Bank was filled with subscriptions the moment it was opened. Eight millions of dollars was the whole permitted to be sub-

scribed, of which two millions were deposited in cash, the residue in public paper. Every other symptom is equally favorable to our credit."

Jefferson, Secretary of State, April 6th, 1790: "The Secretary of the Treasury having, by order of Congress, reported plans for funding both our foreign and domestic debts, they thought it necessary, by a recommitment, to subject that part of it which concerned the domestic debt to maturer discussion; but the clause for making such adequate provision for fulfilling our engagements in respect to our foreign debt was not recommitted, because not susceptible of any abridgment or modification; on the contrary, it was passed without a dissenting voice, and only waits till the residue of that system of which it makes a part can be digested and put into the form of a law. I send you a copy of the resolution."

Thus we are informed by the highest authority (Mr. Jefferson) that the Funding System was adopted without a dissenting voice.

Jefferson to Short, vol. iii., pp. 59, 60, July 26th, 1790: "Congress has passed an Act for establishing the seat of Government at Georgetown from the year 1800." (It was passed July 16th, 1790.) * * * "They have still before them the bill for funding the public debts, that has hitherto been delayed by a question whether the debts contracted by the particular States for general purposes should at once be assumed by the General Government. A development of circumstances and more mature consideration seem to have produced some changes of opinion on the subject. When it was first proposed, a majority was against it. There is reason to believe, by the complexion of some latter votes, that the majority will now be for assuming these debts at a fixed amount—twenty-one millions of dollars proposed. As soon as this point is settled, the Funding Bill will pass." The Assumption Bill was passed August 4th, 1790. The Act establishing the Funding System appointing commissioners was passed August 12th, 1790. Particular reference is made to the dates of the approval of the two last Acts in connection with another part of Mr. Van Buren's treatise.

These letters clearly contradict the statement made by Van Buren, p. 171: "I have already spoken to some extent to which the public mind was excited by Hamilton's measures. Large

portions of the people regarded the most prominent among them as violations of the Constitution." If it be true that the public mind was so excited, it must have been known to Mr. Jefferson; and that excitement would have produced a change of the members of the second Congress. Whereas Mr. Jefferson, in his letter to Carmichael, March 7th, 1791, before referred to, declares: "New elections have taken place for the most part, and very few changes made. This is one of the many proofs that the proceedings of the new Government have given general satisfaction." It is possible, but highly improbable, that Van Buren should not have read these and the other letters to which we have referred. Mr. Jefferson, in these letters, not only approves what had been done, but avers that the people, by their elections, did the same.

We now proceed with the examination of the charges against Hamilton. First, "*The Protective System.*" Van Buren, p. 159, referring to Hamilton's Report on Manufactures, says: "Its bold assumptions of power, and the jubilant spirit in which they were expressed, afforded the clearest indications as well to his opponents and to the country that he regarded *his victory over the Constitution as complete.*" (The italics are ours.) The report is dated on the 9th, and was communicated to the House of Representatives on the 14th January, 1790—before Mr. Jefferson's letters above quoted were written.

In this connection it is important to refer to the *second Act passed by Congress*, and approved by Washington, on the 20th July, 1789, for laying duties on goods, wares, and merchandise imported into the United States. The recital to this Act is as follows: "Whereas it is necessary for the support of Government, for the discharge of the debts of the United States, *and the encouragement and protection of manufactures*, that duties be levied on goods, wares, and merchandise imported," &c. The discussion of this Act, which was introduced by Mr. Madison, began in the House of Representatives on the 8th April, and ended May 16th, 1789—ayes 41, nays 8. The question of the constitutional power was only once referred to, and by Mr. Madison, who said: "When these States retained the power of making regulations of trade, they had the power to protect and cherish such institutions. By adopting the present Constitution, they have thrown the exercise of this power into other hands. They must have done this with an expectation that these interests would not have been neglected."

Mr. Van Buren refers to Mr. Madison's efforts to pass *this Act;* he, however, does not quote or refer to the preamble, or to this part of the discussion. This omission as to the preamble could not have been the result of ignorance. What was it, then? The discussion he may not have read.

The Act establishing the Treasury Department was approved on the 10th September, 1789; and Hamilton was not, when this protective Act was passed, a member of the Government.

On the 10th August, 1790, another Act was passed. The preamble refers to the Act of 20th July, 1789, and states that "divers duties were laid on goods, wares, and merchandise so imported, for the discharge of the debts of the United States, *and the encouragement and protection of manufactures.*" The duties were increased by this Act. Washington, in his first annual Message, January 8, 1790, says: "The safety and interest of the people require that they should promote such *manufactures* as tend to render them independent of others for essentials, particularly for military supplies." And the House of Representatives passed a resolution in these words: "That it be referred to the Secretary of the Treasury, to propose and report to this House a proper plan or plans, conformably to the recommendation of the President in his speech to both Houses of Congress, for the encouragement and promotion of such manufactures as will tend to render the United States independent of other nations for essential, particularly for military, supplies."

If Hamilton had any doubts as to the true interpretation of the Constitution as to protective duties—which he certainly had not—this action of Congress and the President would have sanctioned his course on that subject. His Report on Manufactures was communicated to the House of Representatives December 5th, 1791, nearly a year and a half after these two *protective* Acts were passed by Congress and approved by the President, with the open or silent approbation of his Cabinet; Jefferson, Secretary of State. Washington, in his Message, December 7th, 1796, refers to the exercise of this power by Congress, in these words: "Congress have *repeatedly*, and not without success, directed their attention to the *encouragement of manufactures.* The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible." The power under the Constitution to sustain such a system was

not questioned in the legislative or executive departments, nor by Mr. Jefferson in his letters to his friends. On the contrary, in the letters quoted above, he not only approves what had been done, but avers that the people, by their elections, had done the same.

Jefferson, in his eighth annual Message, November 8th, 1808, says: "The extent of this conversion is daily increasing, and little doubt remains that the establishments formed, and forming (internal manufactures), will, under the auspices of cheaper materials, &c., and of protective duties and prohibition, become permanent."

Mr. Madison, in his inaugural address, 4th March, 1809, referring to the purposes and the principles which he brought with him into this arduous service as President, enumerates what ought to be the principles and measures of our Government; and, among others, "to promote, by authorized means, improvements friendly to agriculture, to *manufactures*, and to external as well as to internal commerce." Here we have the authority of this distinguished man that the United States Government, under the Constitution, had the power to take measures to improve our agriculture, our *manufactures*, and, by roads and canals, to promote improvements in our internal commerce.

Madison, in his Message, May 23d, 1809, advises, in the revision of our commercial laws, "to make such further alterations in the laws" (those of 1790 included) "as will more especially protect and foster the several branches of manufactures which have been recently instituted and extended by the laudable exertions of our citizens." Madison's second annual Message, December 5th, 1810, refers to the *advantageous results of protection*. His third annual Message, November 5th, 1811: "The just and sound policy of securing to our manufacturers the success they have attained." Madison, by a special Message, December 23d, 1811, suggests to Congress "the propriety and advantages of a general system of internal communication by canals." Madison, special Message, March 31st, 1814: "I recommend, also, as a more effectual safeguard and encouragement to our growing manufactures, that the additional duties on imports be prolonged." Madison, seventh annual Message, December 5th, 1815: "In adjusting the duties on imports to the object of revenue, the influence of the tariff on manufactures

will necessarily present itself for consideration." He also calls the attention of Congress to the great importance of establishing throughout our country the roads and canals which can best be executed under national authority. This is an extension of power far beyond any one Hamilton proposed. Madison's eighth annual Message, December 3d, 1816: "Protect our manufacturing establishments."

Monroe's inaugural, March 15th, 1817: "Our manufacturers find a generous encouragement by the policy which patronizes domestic industry." "Our manufacturers will likewise require the systematic and fostering care of the Government." * * * "It is important, too, that the capital which nourishes our manufactures should be domestic." "Equally important is it to provide a home market for our raw materials; as, by extending the competition, it will enhance the price and protect the cultivator against the casualties incident to foreign markets." Monroe's first annual Message, December 2d, 1817: "Our manufactures will require the continued attention of Congress." * * * "By their promotion, which depends on due encouragement, is connected the high interest of the nation."

Monroe's second annual Message, November 17th, 1818: "The Act of April 30th, amending our Collection laws, has, it is presumed, secured to domestic manufactures all the relief that can be derived from the duties which have been imposed upon foreign merchandise for their protection." Monroe's third annual Message, December 7th, 1819: "It is deemed of great importance to give encouragement to our domestic manufactures." Monroe's fifth annual Message, December 3d, 1821: "It may fairly be presumed that, under the protection given to domestic manufactures, we shall become, at no distant period, a manufacturing country on an extensive scale." "By the increase of domestic manufactures will the demand for the rude material at home be increased, and thus the dependence of the several parts of our Union on each other, and the strength of union itself, be proportionately augmented." Monroe's sixth annual Message, December 3d, 1822: "It appears that our manufactures, though depressed immediately after the peace, have considerably increased under the encouragement given them by the tariff of 1816, and by subsequent laws."

John Q. Adams, fourth annual Message, December 2d, 1828,

referring to the tariff of the previous session: "But if any of the duties imposed by that Act only relieve the manufacturers by aggregating the burthens of the planter, let a careful revisal of its provisions be directed to retain those which impart protection to native industry." "*Protection' is the great principle sanctioned by that Act, upon which the Constitution itself was formed: I hope and trust the authorities of the Union will adhere.*'" The italics are ours.

It is difficult to believe that Van Buren had not read these messages; and it is painful to believe that a man who had been a President of the United States couldbe guilty of such perversions.

Jackson's inaugural, March 4th, 1829, with regard to a proper selection of subjects of impost, with a view to revenue, says: "It seems to me that the spirit of equity" * * * "in which the Constitution was formed, requires that the great interests of agriculture, commerce, and *manufactures* should be equally favored." Jackson's first annual Message, December 8th, 1829: "The general rule in graduating the duties upon articles of foreign growth or *manufacture*, is that which will place our own in fair competition with those of other countries." Again: "It is principally as manufactures and commerce tend to increase the value of agricultural productions, that they deserve the fostering care of Government;"—thus asserting the constitutional power to foster manufactures by protection, and thus admitting that it had been required, and was constitutional. Jackson's second Message, December 7th, 1830: "The power to impose duties on imports originally belonged to the several States. The right to adjust these duties, with a view to the encouragement of domestic branches of industry, is so completely identical with that power, that it is difficult to suppose the existence of the one without the other. The States have delegated their whole power over imposts to the General Government, without limitation. This authority having thus entirely passed from the States, the right to exercise it for the purpose of *protection* does not exist in them; and, consequently, if it be not possessed by the General Government, it must be extinct. This surely cannot be the case; the indispensable power thus surrendered by the States must be within the scope of the authority on the subject expressly delegated to Congress. In this

conclusion I am confirmed as well by the opinions of the Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people. While the chief object of duties should be revenue, they may be so adjusted as to *encourage manufactures.*" (The writer of this notice of Van Buren's misrepresentations was invited to Jackson's house, to assist in the preparation of this Message. He speaks with entire assurance when he asserts that Mr. Van Buren, being Secretary of State when this Message was prepared, *gave it his entire approval.*)

John Quincy Adams' fourth annual Message, December 2d, 1828. Referring to the Tariff of 1828, Protection, he says: "To the great principles sanctioned by that Act—one of those upon which the Constitution itself was formed—I hope and trust the authorities of the Union will adhere."

In connection with this recital of Jackson's views as to the protective system, it is not inappropriate to present the following, from the inaugural address (March 4, 1837) of Martin Van Buren, author of "The Inquiry": "United, as I have been, in his" (Jackson's) "counsels," * * * "agreeing with him in sentiments which his countrymen have warmly supported, I may hope that somewhat of the same cheering approbation will be found to attend upon my path." Again, Van Buren says, in that address: "We have learned by experience a faithful lesson, that an implicit and undeviating adherence to the principles on which we set out can carry us prosperously onward through all the conflicts of circumstances and the vicissitudes inseparable from the lapse of years."

Surely some of the most marked principles on which we set out were the enactments of Congress approved by Washington; that the Constitution sanctioned the protection of manufacture by imposts; the funding system; assumption of State debts; and the United States Bank.

Second. "*The Funding System, and the Assumption of the debts of the States.*" Gordon's Digest, p. 804: "The Articles of Confederation adopted the public debt contracted before their formation, and the 6th article of the present Constitution imposed on the United States all debts contracted before its adop-

tion. To provide for the payment of this debt, and thus to sustain the credit of the United States at home and abroad, was one of the most powerful inducements to the existing Union of the States." The funding system was established by the Act of 4th August, 1790 (vol. ii., p. 123), first session of the first Congress; and, by the same Act, the debts of the States were assumed to the amount of twenty-one millions, as suggested by Mr. Jefferson. The recital to this Act is: "Whereas justice and the support of public credit require that provision should be made for fulfilling the engagements of the United States in respect to their foreign debt, and for funding their domestic debt upon equitable and satisfactory terms." Section 1 provides, that out of the moneys which shall arise from duties on goods, wares, and merchandise imported into the United States, the yearly sum of six hundred thousand dollars, or so much as may be appropriated from time to time for the support of Government and the common defence, the residue of said moneys shall be, and is hereby, appropriated to the payment of interest on loans heretofore made by the United States in foreign countries, and also to the payment of interest on such further loans as may be obtained for, &c., &c., * * * *to continue so appropriated until said loans, as well as those already made, shall be fully satisfied.* By section 2, the President is authorized to borrow twelve millions, and to cause to be made such other contracts respecting said debt as shall be found to the interest of the United States, provided that no contract shall be entered into which shall preclude the United States from reimbursing any sum or sums borrowed within fifteen years after the same shall have been lent or advanced.

By section 3, it is enacted that a loan to the full amount of the domestic debt be, and the same is hereby, proposed for necessary subscriptions to the said loan (to be opened at the Treasury, &c.); and that the sum which shall be subscribed thereto be payable in certificates issued for said debt according to their specie value. Other sections provide the means of carrying out said loan. Section 4 provides that, for the whole or any part of any sum subscribed to said loan by any person, which shall be paid in the principal of the said domestic debt, the subscriber shall be entitled to a certificate purporting that the United States owe to the holder thereof, or his assigns, a sum to be expressed

therein. The 5th, 6th, 7th, 8th, 9th, 10th, 11th, and 12th sections prescribe details to effect the arrangements and the interest on certificates paid, and when the United States may pay the same. Then follows this recital: "And whereas a provision for the debts of the respective States, by the United States, would be greatly conducive to an orderly, economical, and effectual arrangement of the public finances," it was further enacted, section 13, "that a loan be proposed to the amount of twenty-one millions and five hundred thousand dollars, and that subscriptions to said loan be received at the same time and places, and by the same persons, as in respect to the previous loans; and that the sum which shall be subscribed to the said loan shall be paid in the principal and interest of certificates and notes which, prior to the 1st January last, were issued by the respective States as evidences of debts by them respectively." The Act then goes on to declare, that no greater sum shall be received in the certificates of any State than as follows: New Hampshire, $300,000; Massachusetts, $4,000,000; Rhode Island, $200,000; Connecticut, $1,600,000; New York, $1,200,000; New Jersey, $800,000; Pennsylvania, $2,200,000; Delaware, $200,000; Maryland, $800,000; Virginia, $3,500,000; North Carolina, $2,400,000; South Carolina, $4,000,000; Georgia, $300,000. Provided that no such certificates shall be received which * * * shall appear to have been issued for any other purpose *than compensations and expenditures for services or supplies for the prosecution of the late war* (the War of Independence). The 14th, 15th, 16th, 17th, 18th, and 19th sections provide details. The 20th section provides "that the moneys arising from the revenue laws, which have been, or during the present session of Congress may be, passed, or so much thereof as may be necessary, *shall be, and are hereby, pledged and appropriated for the payment of the interest on the stock which shall be created by the loans aforesaid, to continue so pledged and appropriated until the final redemption of said stock, any law to the contrary notwithstanding. And to the end that the said moneys may be inviolably applied in conformity to this Act, and may never be diverted to any other purpose, an account shall be kept of the receipts, and description thereof, separate and distinct from any other duties.*"

The 21st section pledges the faith of the United States to provide and appropriate such additional and permanent funds as may be requisite to supply any deficiency.

The 22d section declares that the proceeds of the sales of the public lands shall be, and are hereby, appropriated toward sinking or discharging the debts (of the United States), and shall be appropriated solely to that use until the debts shall be fully satisfied. See the Act passed August 5th, 1790, vol. ii., pp. 1–4, to provide more effectually for the settlement of the accounts between the United States and individual States. It is to be remarked, that all claims assumed by the United States are such as shall have accrued for the general or particular defence during the War of Independence.

The Act passed August 12th, 1790, chap. 47, vol. ii., p. 186, is emphatically that which establishes the funding system most effectually, and to which is to be attributed the merit of having paid off the debts of the United States contracted to sustain the War of Independence and the wars with Great Britain and Mexico.

Section 1. That all such surplus of the product of the duties on goods, &c., imported, as shall remain after satisfying the several purposes for which appropriation shall have been made by law to the end of the present session, shall be applied to the purchase of the debt of the United States at its market price, if not exceeding the par or true value thereof. Section 2. That the purchases to be made of the said debt shall be made under the direction of the President of the Senate, the Chief Justice, the Secretary of State, the Secretary of the Treasury, and the Attorney-General for the time being, or any three of them, with the approbation of the President of the United States. They shall cause the said purchases to be made in such manner and under such regulations as shall appear to them best calculated to fulfil the intent of this Act, provided that the same be made openly, and with due regard to the equal benefit of the several States. These commissioners were required to report, within the first fourteen days of each session, of purchases made under their direction, specifying the times thereof, the prices at which, and the parties from whom, the same shall be made.

On the 8th May, 1792, another funding Act was passed. By the 9th section of the Act passed March 3d, 1795, it was provided that the moneys which shall accrue to the said sinking fund shall be, and are hereby, declared *to be vested in the said commissioners, in trust, to be applied to the reimbursement and*

redemption of said debt. And the faith of the United States is hereby pledged, that the money and fund shall inviolably remain and be appropriated and vested as aforesaid, to be applied to the said reimbursement and redemption in manner aforesaid, until the same shall be fully and completely effected.

Hamilton resigned the office of Secretary of the Treasury on the 31st January, 1795.

Washington's answer to his letter, dated February 2d, 1795, is in these words:

"DEAR SIR: After so long an experience of your public services, I am naturally led, at this moment of your departure from office—which it has always been my wish to prevent—to review them.

"In every relation which you have borne to me, I have found that my confidence in your talents, exertions, and integrity has been well placed.

"I the more freely render this testimony of my approbation, because I speak from opportunities of information which cannot deceive me, and which furnish satisfactory proof of your title to public regard. My most earnest wishes for your happiness will attend you in your retirement, and you may assure yourself of the sincere esteem, regard, and friendship of,

"Dear sir, your affectionate G. WASHINGTON."

Another assumption Act was passed on the 19th February, 1795; on the 26th April, 1796, another funding Act was passed; and on the 31st May, 1796, another Act reënforcing the funding system.

By an Act passed 29th April, 1802, $7,300,000 were annually appropriated to the sinking fund. By an Act passed 31st May, 1806, the sinking fund was reorganized. *These Acts were approved by President Jefferson.* In his first annual Message, he says, referring to Hamilton's system of finance: "*Among the payments, those made in discharge of the national debt will show that the public faith has been exactly maintained.*"

It cannot be necessary to go further into the examination of the action of the Government, with the assent of every President, except J. Adams, Sr., from its commencement down to and including the presidency of Andrew Jackson, that the pro-

tection of domestic manufactures, the assumption by the United States of the debts of the States, and the approval of the funding system, were not only constitutional exercises of power, but most salutary measures.

Before leaving this particular subject, we must refer to the course of Mr. Jefferson more particularly in regard to the funding system.

Mr. Gallatin, appointed Secretary of the Treasury by President Jefferson, in his first report, approved the funding system established under Hamilton's administration of the Treasury, in these words: "That the actual revenues of the Union are sufficient to defray all the expenses, civil and military, of the Government, to the extent authorized by existing laws, to meet all the engagements of the Government of the United States, and to discharge, in fifteen and a half (15½) years, the whole of our public debt." Mr. Jefferson, in relation to that report, addressed a letter to Mr. Gallatin, saying: "I have read and considered your report on the operation of the sinking fund, and entirely approve it as the best plan on which we can set out." See Jefferson's Writings, by Randolph, vol. iii., p. 488.

By the Acts passed 14th March, 1812, 8th February, 1813, 2d August, 1813, 24th March, 1814, 3d March, 1815, loans were authorized, the payment of which were charged on the sinking fund. By the Act of 3d March, 1817, an annual appropriation of ten million dollars was vested in *the commissioners of the sinking fund.* All these Acts were approved by President Madison.

The Acts passed May 15th, 1820, March 3d, 1821, 17th April, 1822, and 26th May, 1824, authorized principal and interest to be charged to the sinking fund. These Acts were approved by President Monroe.

Madison, in his seventh annual Message, dated December 5th, 1815, advises assumption of State debts, thus: "There will probably be some addition to the public debt upon the liquidation of various claims which are depending; and a conciliatory disposition on the part of Congress may lead honorably and advantageously to an equitable arrangement of the militia expenses incurred by the several States without the previous sanction or authority of the Government of the United States." This was the assumption of State debts; and thus a clear and explicit

approval of Hamilton's system was given, not only as expedient, but as constitutional.

Mr. Jefferson, in a letter to Mr. Madison, dated Paris, March 15th, 1789 (vol. ii., p. 444), referring to the Constitution to be settled in France, says: "Besides settling for themselves a tolerably free Constitution, they will fund their debt; this will give them such a credit as will enable them to borrow any money they may want." Again, in a letter to Colonel Humphries, March 18, 1789, vol. ii., p. 449, he says, referring to France: "The consolidation and funding their debts will give Government a credit which will enable them to do what they please."

See p. 101, same vol., letter to La Fayette: "I wish you success in your meeting" (in 1787, in Paris, to form a Constitution). "Keeping the good model of your neighboring country" (Great Britain) "before your eyes, you may get on, step by step, toward a good Constitution. You see how we republicans are apt to preach when we get on politics."

This proof of Jefferson's approval of a funding system is important, although it does not meet the constitutional question as an answer to much he wrote to Washington, and others, against the system itself.

Mr. Jefferson was President of the United States from the 4th March, 1801, to that day in 1809.

On the 29th April, 1802, Congress passed an Act, by which seven millions were appropriated to the sinking fund, and directions given to the commissioners for its application to the payment of the debt. This Act was approved by President Jefferson. Surely, if it was unconstitutional, as he had before asserted, his duty required him to have returned the Act with his veto.

Jefferson, in his first annual Message (see "Presidents' Messages," p. 98), says: "Among the payments, those made in discharge of the principal and interest of the national debt will show that the public faith has been exactly maintained."

In his second annual Message (p. 104), referring to the rules of action which ought to govern Congress, he says: "To foster our fisheries as nurseries of navigation and for the nurture of men, and *protect the manufactures* adapted to our circumstances —to keep all things within the pale of our constitutional power, and cherish the Federal Union as the only rock of safety—these,

fellow-citizens, are the landmarks by which we are to guide ourselves in all our proceedings. *By continuing to make these the rules of our action*, we shall endear to our countrymen the true principles of our Constitution."

Surely, if the laws of Congress, passed during Washington's administration by Hamilton's advice, to establish a funding system, to assume the debts of the States for the protection of manufactures, and to establish a United States Bank, were such violations of the Constitution as to justify Van Buren's charges against Hamilton, Mr. Jefferson could not have written the words I have italicized.

In Jefferson's third annual Message, pp. 107, 108, he says: "Should the acquisition of Louisiana be constitutionally confirmed and carried into effect, a sum of nearly thirteen millions of dollars will be added to our public debt, most of which is payable after fifteen years; before which time the present existing debts will all be discharged by the established operation of the sinking fund."

In 1806, Jefferson President, an Act was approved, by which a sum of money was passed to the credit of the *sinking fund.* During Madison's administration, 14th March, 1812, an Act was approved by him, authorizing a loan of eleven millions, the payment of which was charged to the *sinking fund.*

8th February, 1813, an Act, approved by Madison, authorizing a loan for sixteen millions (one hundred dollars in stock was given for eighty-eight dollars in money), principal and interest charged to the *sinking fund.*

2d August, 1813, an Act, approved by Madison, authorizing a loan of $7,500,000, principal and interest charged to the *sinking fund.*

24th March, 1814, an Act, approved by Madison, authorizing a loan for twenty-five millions, sold at eighty per cent., by which a deposit of $15,661,818 was created, charged to the *sinking fund.*

2d March, 1815, an Act, approved by Madison, *principal and interest charged to the sinking fund.*

These several Acts, passed by Congresses of the Democratic party, and approved by the two great leaders of that party, were such a sanction of the constitutionality of the sinking fund system as should have satisfied Mr. Van Buren that Hamilton had

not, in recommending that system, violated the Constitution and "a sacred trust."

Van Buren frequently intimates that Hamilton's funding system was drawn from that of Great Britain. P. 140, he says: "*The funding system, as presented to Congress by him, as well as the bank, were not only on the English plan, but, as far as that could consistently be effected, were copies of the originals.*"

The assertion contained in the words I have italicized is a palpable misrepresentation; I believe I might say, a wilful one. Assuming that Mr. Van Buren could not be ignorant of the fact that the English funding system was presented to Parliament by Mr. Pitt, on the 29th of March, 1786; whereas Hamilton, on the 16th day of December, 1782—*four years before* Pitt's funding system was proposed or adopted—presented to the Congress, under the confederation of which he was a member from New York, the following resolution, which was adopted December 16th, 1782:

"*Whereas*, it is essential to justice and the preservation of public credit, that, whenever a nation is obliged, by the exigencies of public affairs, to contract a debt, proper funds should be established, not only for paying the annual value or interest of the same, but for discharging the principal within a reasonable period, by which a nation may avoid the evils of an excessive accumulation of debt; therefore

"*Resolved*, That whenever the net proceeds of any funds recommended by Congress, and granted by the States, for funding the debt already contracted, or for procuring further loans for the support of the war, shall exceed the sum requisite for paying the interest of the whole amount of the national debt which these States may owe at the termination of the present war, the surplus of such grants shall form a *sinking fund*, and be inviolably appropriated to the payment of the principal of the said debt, and shall on no account be diverted to any other purpose." See "Hamilton's Works," vol. ii., p. 212.

Mr. Van Buren (p. 408) says: "The difference between the provisions of the sinking fund first and now adopted *was great indeed.*" The only difference we find in the laws, after a careful analysis, is that, in the latter period of the Government, larger sums were appropriated to the use of the commissioners of the sinking fund, to be applied to the payment of the debts.

In 1790, the means of the Government were so limited that the appropriation of six per cent. for interest, and two per cent. to pay or purchase, was all that could be so appropriated. He proceeds: "The grant of the funds to the first, to say nothing of their insufficiency, lacked the essential quality of being irrevocable, but was" (*sic*) "left subject to the action of Congress."

We refer to Hamilton's report to Congress, communicated to the House of Representatives, January 14th, 1790 (see "Hamilton's Works," vol. iii., pp. 1–54). This most excellent treatise on public credit is worthy of republication at this period of our country's history. We can only quote such parts of this, and subsequent reports, as are necessary to meet the above misrepresentations.

Report of January 9th, 1790, vol. iii., of "Hamilton's Works," p. 32: "On this head, the Secretary would propose that the duties on distilled spirits should be applied, in the first instance, to the payment of the interest on the foreign debt, which amounted to $11,710,378.62; that, reserving out of the residue of these duties an annual sum of $600,000, for the current service of the United States, the surplus, together with the product of other duties, to be applied to the interest on the new loan by an appropriation co-extensive with the extinction of the debt." P. 41: "Persuaded, as the Secretary is, that the proper funding of the present debt will render it a national blessing, yet he is so far from acceding to the position in the latitude in which it is sometimes laid down, that public debts are public blessings, that he ardently wishes to see it incorporated as a fundamental maxim in the system of public debt of the United States, that the creation of debt should always be accompanied with the means of extinguishment. This he regards as the true security for rendering public credit immortal, and that it is difficult to conceive a situation in which there may not be an adherence to this maxim." He expresses his "unfeigned solicitude that this may be attempted by the United States, and that they may commence their measures for the establishment of credit with the observance of it;" and that, "upon the due observance of the maxims that uphold public credit *at the present critical juncture*, materially depends the individual and aggregate prosperity of the citizens of the United States; their relief from the embarrassment they now experience; their character as a

people; the cause of good government." * * * "If the maintenance of public credit, then, be so truly important, the next inquiry that suggests itself is, By what means is it to be effected? The ready answer is, By good faith; by a punctual performance of contracts." He then points out the individual and public advantages which must necessarily result, by a proper and adequate provision, at the present period (1790), for the support of the public credit. We now propose, as concisely as possible, to state what that system was, and by what laws it was secured. We quote:

First. "To constitute a fund sufficient, in every supposable event, for extinguishing the whole of the present debt of the United States in a period not exceeding thirty (30) years."

Second. "*To fix its destination unchangeably, by not only appropriating it permanently under the direction of commissioners, and vesting it in them as property in trust, but by making its faithful application a part of the contract with the creditors.*"

As to the first point: "Let it be enacted that the present tonnage and import duties, or as large an amount thereof as will be sufficient to pay the interest and one per cent. of the principal of the public debt existing at the time of its enactment, or as may be incurred by the rebellion, shall be continued till the debts and purposes for which they are appropriated shall be satisfied; reserving, however, a right to Congress to substitute other duties or taxes of equal value." See Act of Congress, August 10th, 1790.

As to the second point: "The intent is to secure, by all the sanctions of which the subject is susceptible, an inviolable application of the fund according to its destination. No expedients more powerful can be devised for this purpose, than to clothe it with the character of private property, and to engage absolutely the faith of the Government, by making the application of it to the object *a part of the contract with the creditors.*"

"That the fund so appropriated shall be vested in commissioners, to consist of the Vice-President of the United States, or President of the Senate, the Speaker of the House of Representatives, the Chief Justice, Secretary of the Treasury, and the Attorney-General of the United States, for the time being, *in trust*, to be applied by them, or any three of them, to the dis-

charge of the existing debt, either by purchase of stock in market, or by payment on account of principal, as shall appear to them most advisable, in conformity to public engagements; to continue so vested until the whole of the debt be discharged." This simple and comprehensive system was established with the sanction of Washington, and adopted by every successive Administration to 1848. (During this period, thirty Acts were passed recognizing the maxim, that "the creation of debt should always be accompanied with means of its extinguishment.")

It is to be remarked, that the fund arising from the interest of the debt so purchased or redeemed was commonly called "the progressive force of the sinking fund." *It is an arithmetical truth, that a fund equal to one per cent. of any amount of debt so set apart and applied to the purchase or payment of that debt, with the interest on the part so redeemed, will extinguish the whole in a period of thirty-four years.*

By the 9th section of the Act passed 3d March, 1795, it was declared "that, as well the money which shall accrue to the sinking fund by this Act, and previous Acts, shall, under the direction and management of the commissioners of the sinking fund, and their successors in office, be, and continue, appropriated to the said fund, until the whole of the debt of the United States" * * * "shall be reimbursed and redeemed, and shall be, and are hereby, declared to be *vested in the said commissioners, in trust*, to be applied according to the provisions of the Act of the 8th day of August, 1792, and of this Act, to the reimbursement and redemption of the said debt, until the same shall be fully reimbursed and redeemed."

In Hamilton's report, January 23d, 1792, vol. iii., p. 296, he says: "It is therefore submitted that it be adopted as a principle, that all interest which shall cease to be payable, by purchase or payment of the principal, shall be set apart and appropriated, in the most sure and inviolable manner, as a fund for sinking the public debt by purchase or payment; and the said fund be placed under the direction of the officers" (also named), "to be applied toward the purchase of the said debt, until the annual produce of said fund shall amount to two per cent. of the entire portion of the debt which bears a present interest of six per cent., and thenceforth to be applied toward the redemption of that portion of the debt, according to the right which has been

reserved to the Government. It will deserve the consideration of the Legislature, whether this fund ought not to be so vested as to acquire the nature and quality of a proprietary trust, incapable of being diverted without a violation of the principles and sanctions of property." He adds: "It is not doubted that the progressive development of the resources of the country, and a reduction of the rate of interest by the progress of the public credit, will speedily enable the Government to make important additions to it in various ways."

In a report, dated March 16th, 1792 (vol. iii., p. 326): "If a loan should be thought eligible, it is submitted, as most advisable, to accompany it with a provision sufficient not only to pay the interest, but to discharge the principal within a short period." Again: "From the most careful view which he is able to take of all the circumstances at the present juncture, he is led to conclude that the most eligible mode is to impose additional duties on imported articles." He adds (p. 333): "The foregoing duties to be permanently established, and to be appropriated, in the first place, to the payment of the interest of the public debt; in the second, to such other grants and appropriations as have been heretofore made."

By the Act passed August 10th, 1790, it is declared "that the duties laid by this Act shall continue until the debts and purposes for which they are appropriated shall be satisfied; reserving, however, a right to Congress to substitute other duties or taxes of equal value."

An Act was passed 3d March, 1791, which increased certain duties, and added, on others, higher rates of duties (p. 459). These duties are appropriated primarily in the same manner and to the same purposes as those laid on imported articles by the Act of 10th August, 1790, and are to continue for the same time. Also, see the Act of 2d May, 1792, establishing higher duties. These duties are conformable with the Act of June, 1792. See Act of 8th May, 1792; this provides new and increased duties, which are appropriated *in the same manner and for the same purposes, and are to continue for the same period, as those for which they are substitutes* (p. 463). See Act of June, 1794: "Certain specific sums, amounting together to $1,292,137.38, are charged upon the proceeds of the revenues which are created by the five last-mentioned Acts; and there is a reservation made

out of them of a sum sufficient to pay the interest of whatever moneys may be borrowed pursuant to the Act passed 20th March, 1794, which sum is pledged for the payment of that interest."

"*Assumption.*"—The Act passed August 4, 1790, authorizing "the assumption of debts incurred by the States for supplies and services rendered during the War of Independence." By this Act, the United States, though having a right to redeem in a certain proportion, should not be obliged to do it. "And that the proceeds of the public revenues, which before that time had been, and during the then session should be, provided, after reserving the sum of $600,000 for the expenses of the Government, the sums necessary for the payments of interest on the foreign loans made and to be made, and the sums necessary for the payment of the interest on the loan on the domestic debt, should be, and thereby were, pledged and appropriated, and to continue so appropriated until the final redemption of the capital stock." By these Acts, and the reports of the Secretary, it is proved that Van Buren's statement (p. 408), that the grant of the funds to the first funding system, to say nothing of their *insufficiency*, is entirely gratuitous. (The grant of funds first made were, of course, limited by the slender means of the Government; but it is clearly proved that, as the means were increased by taxation, advised by Hamilton, that the sinking fund was greatly increased.) Van Buren adds, "that *the funds applied to the payment of the debt lacked the essential quality of being irrevocable, but was*" (*sic*) "*left subject to the action of Congress.*" (The italics are ours.)

No man of ordinary intelligence and integrity, who had read the Acts referred to and quoted, could make such a statement. The Act of 1790 declares that the sums appropriated to the funding system "*should be, and thereby were, pledged and appropriated; and to continue so appropriated until the final redemption of the capital stock.*" (The italics are ours.)

For the several Acts passed by Hamilton's advice during his administration of the Treasury, see Gordon's Digest, notes, pp. 804–806. For these Acts for the year 1795, prior to 1812, after 1812 to 1824, see pp. 306–308; and as to the sinking fund, pp. 809–811. By the various Acts passed during these periods, whenever the sinking fund is referred to—which is repeatedly—there is no other system adopted or referred to than the first one

established under Hamilton's advice; and by the Acts approved August 4th, 1790, see vol. ii., Laws U. S., p. 123, and the supplementary Act passed May 8th, 1792, p. 306, when, Mr. Van Buren says, "the difference between the provisions of the sinking fund first and now adopted was great," he intimates that there were two systems. After the most extended and careful examination of the laws, I find frequent reference to the first system, and to no other.

These laws were passed not only during the administration of Washington and Adams, but those of Jefferson and Madison; and thus did the provisions of the funding system, established in 1790 and 1792, receive their approval as useful and constitutional. The only difference was in regard to the amount of revenue applied to the sinking fund during the first administration, and that which the increased revenues, from supplemental taxation, produced.

The foreign debt, principal and interest, to 31st December, 1789, amounted to .	$11,710,378.62
The domestic debt, principal and interest, to 31st December, 1790, to . . .	40,414,085.94
	$54,124,464.56

The State debts were assumed at $20,500,000.

The interest to be provided was assumed to be (exclusive of the State debts) $2,239,163.09. The current expenses of the year were estimated at $600,000. Total, $2,839,163.09.

The Secretary assumes that this sum may be obtained from the present duties on imports and tonnage, with certain additions, which may be made on wines, spirits, tea, and coffee. From this statement of the amount of interest to be paid and the means provided, it was not possible to appropriate a larger amount than *two* per centum to the sinking fund.

"*Bank of the United States.*"—Van Buren, p. 202: "There was no warrant in the Constitution for the establishment of a National Bank."

The Bank of North America originated in a resolution of Congress of the 26th May, 1781 (under the Articles of Confederation), founded upon a proposition of the Superintendent of

Finance, which was afterward carried into effect by an ordinance of the 31st December, 1781, entitled, "An Ordinance to Incorporate the Subscribers of the Bank of North America." Hamilton's report on a National Bank was communicated to the House of Representatives, 14th December, 1790. See Hamilton's Works, vol. iii., p. 106.

On the 16th January, 1791, Washington addressed a note to Hamilton, stating that the constitutionality of the Bank Act "is objected to," and enclosed to him the reports on that point of the Attorney-General and the Secretary of State: "And I now require, in like manner, yours on the validity and propriety of the Act."

The Secretary of the Treasury, on the 23d February, 1791, in a note, "presents his respects to the President, and sends him the opinions required, which occupied him the greatest part of last night." See the Argument, vol. iv. Hamilton's Works, pp. 104–138. He says, "his chief solicitude arises from a firm persuasion that principles of construction, like those espoused by the Secretary of State and Attorney-General, would be fatal to the just and indispensable authority of the United States." In entering upon the argument, it ought to be presumed that the objection of the Secretary of State and Attorney-General are founded on a general denial of the authority of the United States to erect corporations. The latter, indeed, expressly admits, "that, if there be any thing in the bill which is not warranted by the Constitution, it is the clause of incorporation. Now, it appears to the Secretary of the Treasury that this general principle is inherent in the very definition of Government, and essential to every step of the progress to be made by that of the United States; namely, that every power vested in a government is, in its nature, sovereign, and includes, by force of the term, a right to employ all the means requisite and fairly applicable to the attainment of the end of such powers, and which are not precluded by restrictions and exceptions specified in the Constitution, or not immoral or not contrary to the essential ends of the political society."

"It is no valid objection to the doctrine to say, that it is calculated to extend the power of the General Government throughout the entire sphere of State legislation. The same thing has been said with regard to every exercise of power by

implication or construction." * * * "The truth is, that difficulties on this point are inherent in the nature of the Federal Constitution; they result inevitably from a division of legislative power. The consequence of this division is, that there will be cases clearly within the power of the national Government, others clearly without its power, and a third class which will leave room for controversy and difference of opinion, and concerning which a reasonable latitude of judgment must be allowed."

To erect a corporation is to substitute a legal or artificial to a natural person, and, when a number are concerned, to give them individuality. To that legal or artificial person, once created, the common law of every State of itself annexes all those incidents and attributes which are represented as a prostration of the main pillar of their jurisprudence. But if it were even to be admitted that the erection of a corporation is a direct alteration of the stated laws in the enumeration of particulars, it would do nothing toward proving that the measure was unconstitutional. If the Government of the United States can do no act which amounts to an alteration of a State law, all its powers are nugatory; for almost every new law is an alteration, in some way or other, of an old law, either common or statute.

There are laws concerning bankruptcy in some States; some have laws regulating the value of foreign coin. Congress are empowered to establish uniform laws concerning bankruptcy throughout the United States, and to regulate the value of foreign coin. The exercise of either of these powers by Congress necessarily involves an alteration of the laws of those States.

As to the rejection of a proposition by the Convention to empower Congress to make corporations, Hamilton says: "What was the precise nature or extent of this proposition, or what reasons for refusing it, is not ascertained by any authentic document, or even by accurate recollection. As far as any documents exist, it specifies only canals." But whatever may have been the nature of the proposition, or the reasons for rejecting, it includes nothing in respect to the real merits of the question. The Secretary of State will not deny that, whatever may have been the intention of the framers of a constitution or a law, that intention is to be sought for in the instrument itself, according to the usual and established rules of construction.

P. 123: "It is presumed to have been satisfactorily shown,

in the course of the preceding observations: 1st. That the power of the Government as to the objects entrusted to its management, is, in its nature, sovereign. 2d. That the right of erecting corporations is one inherent in and indispensable from the idea of sovereign power. 3d. That the position, that the Government of the United States can exercise no power but such as is delegated to it by its Constitution, does not militate against this principle. 4th. That the word necessary in the general clause can have no restrictive operation derogatory from the force of this principle; indeed, that the degree in which a measure is or is not necessary, cannot be a test of constitutional right, but of expediency only. 5th. That the power to erect corporations is not to be considered as an independent or substantive power, but as an incident and auxiliary one, and was therefore more properly left to implication than expressly granted. 6th. That the principle in question does not extend the power of the Government beyond the prescribed limits, because it only affirms a power to incorporate for purposes within the sphere of the specified powers. And, lastly, That the right to exercise such a power, in certain cases, is unequivocally granted in the most positive and comprehensive terms. To all which it only remains to be added, that such a power has been exercised in two very eminent instances; namely, in the erection of two governments, one northwest of the river Ohio, and the other southwest; the last independent of any antecedent compact. And these result in a full and complete demonstration that the Secretary of State and Attorney-General are mistaken, when they deny generally the power of the national Government to erect corporations."

The Secretary of the Treasury then proceeds to show that there is a power to erect one of the kind proposed by the bill.

We forbear further quotations from this most important examination of the powers of the Government, with the remark that it has great interest, from the fact that it manifests the efforts of the mental faculties of three of the distinguished statesmen of our country—Jefferson, Hamilton, and Randolph. We may add this anecdote, related to the writer by Judge Story:

When the argument on this subject, in the case of McCullough *vs.* Maryland, 4 Wheaton, p. 413, was concluded, and the case had been decided that the Act was the exercise of a constitutional power, Chief Justice Marshall informed the court that he would write the opinion. When that was finished, he

asked Judge Story to read it. On returning the opinion to Marshall, Story said: "Brother Marshall, you have said nothing more than Hamilton wrote in his report to Washington." Marshall replied: "I have not; Hamilton exhausted the subject."

Washington, after a full and deliberate examination of the subject, having the arguments *pro* and *con* of three members of his Cabinet, approved the bill on February 25th, 1791, two days after he received Hamilton's most conclusive argument. It is worthy of remark, that the discussion, and the decision by President Washington, preceded the date of Jefferson's letter to Skepwith and Short, quoted above.

When the term of the continuance of the first Bank was nearly ended, a bill was introduced to renew the charter; which was defeated by the casting vote of Clinton, the Vice-President. Pending the discussion of that bill, according to Mr. Gallatin's statement, Mr. Jefferson expressed a wish that, if the bill was passed, it might be effected by the operation of the ten days' provision, and thus that his consistency should be preserved.

In closing this branch of our subject, we quote from President Madison's Message, January 30th, 1815: "Waiving the question of the constitutional authority of the Legislature to establish an incorporated bank, as being precluded, in my judgment, by repeated recognitions, under varied circumstances, of the validity of such an institution in acts of the legislative, executive, and judicial branches of the Government, accompanied by indications in different modes of a concurrence of the general will of the nation, the proposed bank does not appear to be calculated to answer the purpose of reviving the public credit by providing a national medium of circulation," &c., &c.

That bill having been amended in conformity with the views of the President, it was approved by him on the 10th April, 1816.

President Madison, in his eighth annual Message, December 3d, 1816, certainly extends the powers of the Government in relation to the subject of currency far beyond any thing ever proposed or even contemplated by Hamilton. He says: "*The Constitution has entrusted Congress exclusively with the power of creating and regulating a currency of that description, of equal value, credit, and use wherever it may circulate; and the measures taken during the last session in execution of the power, give*

every promise of success. The Bank of the United States has been organized under auspices the most favorable, and cannot fail to be an important auxiliary to those measures."

This assumed power necessarily deprives the States of the power to establish banks of issue, because the Constitution, as is alleged, has given to Congress the *exclusive power* of creating and regulating currency.

Mr. Van Buren (p. 385), referring to the funding system, says: "It has long been discontinued." He adds: "As a national bank has not become more completely an obsolete idea." Exactly when this was written, does not appear. Its author died in July, 1862. The existing funding system was established by the Act of Congress passed on the 25th February, 1862: "An Act to Authorize the Issue of United States Notes, and for the Redemption or Funding thereof, and for Funding the Floating Debt of the United States." The 5th section of this Act provides that the "duties shall be paid in gold, which shall be set apart as a special fund, and applied, *first*, to the payment in coin of the interest on bonds and notes; *second*, to the purchase or payment of one per centum of the entire debt, which is to be set apart as a sinking fund," &c.

The National Banks now existing were authorized by the Act passed June 3d, 1864. So much for Mr. Van Buren's "*obsolete idea.*"

Mr. Van Buren (p. 263) refers to the Sedition and Alien Laws with just reprobation. He, however, adds: "Yet it is well known that, of these last measures, the first (Sedition Law) was passed upon Hamilton's suggestion." This is a most gratuitous misrepresentation. On the contrary, it was and is well known that Hamilton disapproved of that Act. In proof of this, we refer to a letter he wrote to Wolcott, a member of the Cabinet, dated June 29th, 1798:

"DEAR SIR: I have this moment seen a bill brought into the Senate, entitled 'A Bill to Define more Particularly the Crime of Treason.' There are provisions in this bill which, according to a cursory view, appear to me highly exceptionable, and such as, more than any thing else, may endanger civil war. I have not time to point out my objections by this post, but I will do it to-morrow. I hope sincerely the thing may not be hurried through. *Let us not establish a tyranny.* Energy is a very

different thing from violence. If we make no false step, we will be essentially united; but if we push things to an extreme, we shall then give to faction *body* and *solidity*." See Hamilton's Works, vol. vi., p. 307.

Wolcott, in reply, said: "The Sedition Law is merely a copy of a statute passed in October, 1774;" Gibbs.

Van Buren (p. 131), referring to the doctrine of implied powers, and Hamilton's avowed principles, says "that he (Hamilton) should be found mousing over the words of the Constitution for equivocal expressions." "*To mouse*," according to Webster's Dictionary, means, "to watch for or pursue in a sly or insidious manner"—of which Hamilton was incapable. That Van Buren knew, when this charge was made, the meaning of the word, is most probable; because Calhoun, long before his work was written, had, in the Senate, spoken of Van Buren as a "*mousing* politician."

I conclude this work, which I have undertaken in obedience to a sense of duty to my father, by endeavoring to show that the author of so malignant an attack upon a man who had rendered some service to his country, was induced by the inspiration of Mr. Jefferson during his visit to that gentleman.

Van Buren (p. 431) says: "The measures of which I have spoken, as the cherished policy of the old Federal party and its successors, taken as a whole, were justly described by Jefferson in his much-abused letter to Mazzei, as a contrivance invented for the purpose of corruption, and for assimilating us in all respects to the rotten as well as the sound parts of the British Constitution."

Upon examining Jefferson's letter to Washington, dated 23d May, 1792, published in the 12th Appendix to the tenth volume of Washington's Works, by Sparks, it will be found that he attributes to Hamilton all the objections, disloyal purposes, and corrupting influences which Van Buren has imputed to Hamilton in this work.

Washington, in a letter to Hamilton, written at Mount Vernon, dated 29th July, 1792 (p. 249, vol. x., Writings of Washington), throws the letter by Jefferson in the form of objections from 1 to 21. (Note by Sparks: "This summary is copied almost verbatim from a letter which the writer had recently received from Mr. Jefferson.") Washington says: "To obtain light and

pursue truth being my sole aim, and wishing to have before me explanations of, as well as the complaints on, measures in which the public interest and harmony are so deeply concerned and my public character so much involved, it is my request, and you would oblige me by furnishing me with your ideas upon the discontents here enumerated; and for this purpose I have thrown them into heads or sections, and numbered them, that these ideas may be applied to the correspondent numbers."

It is to be remarked, that Jefferson's letter was written when he and Hamilton were members of the Cabinet.

Hamilton's answer to this letter will be found in vol. iv. of Hamilton's Works, pp. 247–279.

PHILADELPHIA, *August 18th*, 1792.

"SIR: I am happy to be able at length to send you answers to the objections which were communicated to me in your letter of 29th July. They have been unavoidably drawn in haste—too much so to do perfect justice to the subject—and have been copied just as they flowed from my heart and pen, without revision or correction. You will observe that, here and there, some severity appears. I have not fortitude enough always to bear with calmness calumnies which necessarily include me as the principal agent in the measures concerned; of the falsehood of which I have the most unqualified consciousness.

"*Objections and answers respecting the administration of the Government.*"

Objection 1. "The public debt is greater than we can possibly pay before other causes of adding to it will occur; and this has been artificially created by adding together the *whole amount* of the debtor and creditor sides of the accounts."

Answer. "The public debt was created by the late war. It is not the fault of the present Government that it exists, unless it can be proved that public morality and policy do not require of a government an honest provision for its debts. Whether it is greater than can be paid before new causes of adding to it will occur, is a problem incapable of being solved but by experience; and this would be the case if it were not one fourth as much as it is."

"If the policy of the country be prudent, cautious, and neutral toward foreign nations, there is a rational probability

that war may be avoided long enough to wipe off the debt. The Dutch, in a situation not near so favorable for it as that of the United States, have enjoyed intervals of peace longer than, with proper exertions, would suffice for the purpose. The debt of the United States, compared with its present and growing abilities, is really a very light one; it is little more than fifteen million pounds sterling—about the annual expenditure of Great Britain."

As to its having been artificially increased, this is denied; perhaps, indeed, the true reproach of the system which has been adopted, is, that it has artificially diminished the debt, as will be explained by and by.

The assertion that the debt has been increased by adding together the whole amount of the debtor and creditor sides of the account, not being easy to be understood, is not easy to be answered; but an answer will be attempted.

The thirteen States, in their joint capacity, owed a certain sum; the same States, in their separate capacities, owed another sum; these two sums constitute the aggregate of the public debt. The public, in a political sense, of the Government of the Union, and of the several States, was the *debtor;* the individuals who held the various evidences of debt were the *creditors.* It would be nonsense to say that the combining of the two parts of the public debt is adding together the debtor and creditor sides of the account. So great an absurdity cannot be supposed to be intended by the objection. Another meaning must therefore be sought for. It may possibly exist in the following misconception.

Hamilton then goes on to suggest different misconceptions, and to refute them: "The debt may, then, rather be said to have been artificially decreased by the nature of the provision. The conclusion of the whole is, that, assuming it as a principle that the public debts of the different descriptions were honestly to be provided for and paid, it is the reverse of true that there has been an artificial increase of them. To argue on a different principle, is to presuppose dishonesty, and make it an objection to doing right."

Objection 2. "This accumulation of debt has taken forever out of our power those easy resources of revenue which, applied to the ordinary necessities and exigencies of government, would

have animated them habitually, and covered us from habitual murmurings against taxes and tax-gatherers. Reserving extraordinary calls for extraordinary occasions, would animate the people to meet them."

Answer. "There having been no accumulation of debt, if what is here pretended to have been the consequence were true, it would only be to be regretted as the unavoidable consequence of an unfortunate state of things. But the supposed consequence does by no means exist. The only sources of taxation which have been touched are imported articles, and the single internal object of distilled spirits; lands, houses, the great mass of personal as well as the whole of real property, remains essentially free. In short, the chief sources of taxation are free for extraordinary conjunctures; and it is one of the distinguishing merits of the system which has been adopted, that it has rendered this far more the case than it was before. It is only to look into the different States, to be convinced of it. In most of them, real estate is wholly exempted. In some, very small burthens rest upon it for the purposes of the internal governments. In all, the burthens of the people have been lightened. It is a mockery of truth to represent the United States as a community burthened and exhausted by taxes."

Objection 3. "That the calls for money have been no greater than we must generally expect for the same or equivalent exigencies; yet we are already obliged to strain the *impost* till it produces clamor, and will produce evasion and war on our citizens to collect it, and even to resort to an *excise* law, of odious character with the people, partial in its operation, unproductive unless enforced by arbitrary and vexatious means, and committing the authority of the Government in parts where resistance is most probable and coercion least practicable."

Answer. "This is mere painting and exaggeration. With the exception of a very few articles, the duties on imports are still moderate—lower than in any other country of whose regulations we have knowledge, except, perhaps, Holland, where, having few productions or commodities of their own, their export trade depends upon the exportation of foreign articles." * * * "The general inducements to a provision for the public debt are:

"1st. To preserve the public faith and integrity, by fulfilling,

as far as was practicable, the public engagements. 2d. To manifest a due respect for property, by satisfying the public obligations in the hands of the public *creditors;* and which were as much their property as their houses or their lands, their hats or their coats. 3d. To revive and establish public credit, the palladium of public safety. 4th. To preserve the Government itself, by showing it worthy of the confidence placed in it." * * *

"The particular inducements to an assumption of State debts were:

"1st. To consolidate the finances of the country, and give an assurance of permanent order in them; avoiding the collisions of thirteen different and independent systems of finance, under concurrent and coequal authority" (the States), "and the scrambling for revenue which would be incident to so many different systems. 2d. To secure to the Government of the Union, by avoiding those entanglements, an effectual command of the resources of the Union for present and future exigencies. 3d. To *equalize the condition* of the citizens of the several States in the important article of taxation, rescuing a part of them from being oppressed with burthens beyond their strength, on account of extraordinary exertions in the war." * * *

"A mind naturally attached to order and system, and capable of appreciating their immense value, unless misled by particular feelings, is struck at once with the prodigious advantages which, in the course of time, must attend such a simplification of the financial affairs of the country as results from placing all the parts of the public debt on one footing, under one direction, regulated by one provision. The want of this sound policy has been a continual source of disorder and embarrassment in the affairs of the United Netherlands." (We forbear to quote more in answer to this objection.)

Objection 4th. "Propositions have been made in Congress, and projects are on foot still, to increase the mass of the debt."

Answer. "Propositions have been made, and no doubt will be renewed by the States interested, to complete the assumption of the State debts. This would add, in the first instance, to the mass of the *debt of the United States* between three and four millions, but it would not increase the mass of the *public debt* at all. It would only transfer from particular States to the Union debts which already exist." * * *

Objection 5th. "They say that, by borrowing at two thirds of the interest, we might have paid off the principal in two thirds of the time; but from this we are precluded, from its being made irredeemable but in small portions and long terms."

Answer. "First, all the foreign loans made by the United States prior to the present Government cost more than six per cent.; since the establishment of the present Government, they borrowed first at five and a quarter per cent., including charges, and since, at about four and a quarter per cent., including charges; and it is questionable, in the present state of Europe, whether they can obtain any further loans at so low a rate. The system which is reprobated is the very cause that we have been able to borrow on so good terms." * * * "Secondly, we could not have borrowed at so low a rate of interest in the United States." * * * "Lastly, the plan which has been adopted secures, in the first instance, *the identical advantage* which, in the other plan, would have been *eventual and contingent.* It puts one third of the whole debt at an interest of three per cent. only, and, by deferring the payment of interest on one third of the remainder, effectually reduces the interest on that part. It is evident that a *suspension* of interest is, in fact, a *reduction* of interest."

"In reality, on the principles of the funding system, the United States reduced the interest on their whole debt, upon an average, to about four and a half per cent."

"The funding system, then, secured, in the very outset, the *precise advantage* which, it is alleged, would have accrued from having the whole debt redeemable at pleasure. But this is not all; it did more. It left the Government still in a condition to enjoy, upon five ninths of the entire debt, the advantages of extinguishing it by loans at a low rate of interest, if they are obtainable. The three per cents., which are one third of the whole, may always be purchased in the market below par, until the market rate of interest falls to three per cent. The deferred will be purchasable below par till near the period of the actual payment of interest. If it be said that the like advantage might have been enjoyed under another system, the assertion would be without foundation." * * *

"There is no reproach which has been thrown upon the funding system so unmerited as that which charges it with being a

oad bargain for the public, or with a tendency to prolong the extinguishment of the debt. The bargain has, if any thing, been too good on the side of the public; and it is impossible for a debt to be in a more convenient form than it is for a rapid extinguishment." * * *

Upon the whole, then, it is the merit of the funding system to have conciliated these three important points—the restoration of public credit, a reduction of the rate of interest, and an organization of the debt convenient for speedy extinguishment.

Objection 6th. "That this irredeemable quality was given to the debt for the *avowed purpose* of inviting its transfer to foreign countries."

Answer. "This assertion is a palpable misrepresentation. The *avowed* purpose of that quality of the debt, as explained in the report of the Secretary of the Treasury, and in the arguments in Congress, was to give an *equivalent* for the reduction of interest." (See more of this.)

Objection 7th. "They predict that this transfer of the principal, when completed, will occasion an exportation of three millions of dollars annually for the interest." * * *

Answer. "The objection seems to forget that the debt is not transferred for nothing; that the capital paid for the debt is always an equivalent for the interest to be paid to the purchaser. If that capital is well employed in a young country like this, it must be considerably increased, so as to yield a greater revenue than the interest of the money. The country, therefore, will be a gainer by it, and will be able to pay the interest without inconvenience." * * *

Objection 8th. "That the banishment of our coin will be completed by the creation of ten millions of paper in the form of bank-bills, now issuing into circulation."

Answer. "This is a mere hypothesis, in which theorists differ. There are no decisive facts on which to rest the question." (Hamilton quotes Smith's "Wealth of Nations," vol. i., Book 2, chap. 2, pp. 441–444, to show "that banks more than compensate for the loss of the specie in other ways.")

Objection 9th. "They think that the ten or twelve per cent. annual profit paid to the lenders of this paper medium are taken out of the pockets of the people, who would have had, without interest, the coin it was banishing."

Answer. "First, the profits of the banks have not hitherto exceeded eight per centum, and perhaps never may. Second, these profits can in no just sense be said to be taken out of the pockets of the people." * * * "If a man receives a bank-bill for the ox or bushel of wheat he sells, he pays no more interest upon it than upon the same sum in gold or silver; that is, he pays none at all." (Hamilton goes further on this point, and closes thus:) "All this is so plain and palpable, that the assertion which is made betrays extreme ignorance or extreme disingenuousness. It is destitute even of color."

Objection 10th. "That all the capital employed in paper speculations is barren and useless, producing, like that on a gaming-table, no accession to itself, and is withdrawn from commerce and agriculture, where it would have produced addition to the common mass."

Answer. This is a copious subject, which has been fully discussed in the report of the Secretary of the Treasury on the subject of manufactures. From page —— to page —— he continues at large.

Objection 12th. "The funding of the debt has furnished effectual means of corrupting such a portion of the Legislature as turns the balance between the honest voters, whichever way it is directed."

Answer. "This is one of those assertions which can only be denied, and pronounced to be malignant and false. No facts exist to support it; no argument can be brought to repel it. The assertors beg the question. They assume to themselves, and to those who think with them, infallibility. Take their words for it, they are the only honest men in the community. But compare the tenor of men's lives, and at least as large a portion of virtuous and independent characters will be found among those whom they malign as among themselves. A mem ber of the majority of the Legislature would say to these defamers: 'In your vocabulary, gentlemen, *creditor* and *enemy* appear to be synonymous terms; the support of *public credit*, and *corruption*, of similar import; an enlarged and liberal construction of the Constitution for the public good and for the maintenance of the due energy of the national authority, of the same meaning with usurpation and a conspiracy to overthrow the republican government of the country; every man of a dif

ferent opinion from your own, an ambitious despot or a corrupt knave. You bring every thing to the standard of your narrow and depraved ideas, and you condemn without mercy, or even decency, whatever does not accord with it. But your pretensions must be rejected, your insinuations despised. Your politics originate in immorality—in a disregard of the maxims of good faith and the rights of property, and, if they could prevail, must end in national disgrace and confusion. Your rules of construction for the authorities vested in the Government of the Union would arrest all its essential movements, and bring it back in practice to the same state of imbecility which rendered the old confederation contemptible. Your principles of liberty are principles of licentiousness, incompatible with all government. You sacrifice every thing that is venerable and substantial in society to the vain reveries of a false and new-fangled philosophy. As to the motives by which I have been influenced, I leave my general conduct in private and public life to speak for them. Go and learn among my fellow-citizens whether I have not uniformly maintained the character of an honest man. As to love of liberty and country, you have given no stronger proof of being actuated by it than I have done. Cease, then, to arrogate to yourself, and to your party, all the patriotism and virtue of the country.'

"Such is the answer that would naturally be given by a member of the majority of the Legislature to such an objection. And it is the only one that could be given until some evidence of the supposed corruption should be produced." (See this further.)

Objection 13th. "The corrupt squadron deciding the voice of the Legislature have manifested their disposition to get rid of the limitations imposed by the Constitution on the general Legislature; limitations on the faith of which the States acceded to that instrument."

Answer. "Here again the objectors beg the question. They take it for granted that their constructions of the Constitution are right, and that the opposite ones are wrong; and, with great good-nature and candor, ascribe the effect of a difference of opinion to a disposition to get rid of the limitations on the Government. Those who have advocated the constructions which have obtained, have met their opponents on the ground of fair

argument, and, they think, have refuted them. How shall it be determined which side is right?"

(The following views of the Constitution are well worthy of attention.—J. A. H.)

"There are some things which the General Government has clearly a right to do; there are others which it has clearly no right to meddle with; and there is a good deal of middle ground about which honest and well-disposed men may differ. The most that can be said, is, that some of this middle ground may have been occupied by the national Legislature; and this surely is no evidence of a disposition to get rid of the limitations in the Constitution, nor can it be viewed in that light by men of candor."

Objection 14th. "The ultimate object of all this is, to prepare the way for a change from the present republican form of government to that of a monarchy, of which the British Constitution is to be the model."

"To this there is no other answer than a flat denial, except this, that the project, from its absurdity, refutes itself. The idea of introducing a monarchy or aristocracy into this country, by employing the influence and force of a government continually changing hands, toward it, is one of those visionary things that none but madmen could meditate, and that no wise man will believe." (Did Van Buren believe this charge against Hamilton, so often repeated by him, was true? If he did not, common justice should have prompted him to refer his reader to this denial.) "If it could be done at all—which is utterly incredible—it would require a long series of time, certainly beyond the life of any individual, to effect it. Who, then, would enter into such a plot?—for what purpose of interest or ambition? To hope that the people may be cajoled into giving their sanctions to such institutions, is still more chimerical. A people so enlightened and so diversified as the people of this country, can surely never be brought to it but from convulsions and disorders in consequence of the arts of popular demagogues."

"The truth unquestionably is, that the only path to a subversion of the republican system of the country is by flattering the prejudices of the people, and exciting their jealousies and apprehensions, to throw affairs into confusion, and bring on civil commotion. Tired, at length, of anarchy or want of govern-

ment, they may take shelter in the arms of monarchy for repose and security. Those, then, who resist a confirmation of public order, are the true artificers of monarchy."

Objection 15th. "The charge that this was contemplated in the Convention, they say, is no secret, because its partisans have made none of it; to effect it then was impracticable; but they are still eager after their object, and are predisposing every thing for its ultimate attainment."

Answer. "This is a palpable misrepresentation. No man that I know of contemplated the introducing into this country a monarchy. A very small number (not more than three or four) manifested theoretical opinions favorable in the abstract to a Constitution like that of Great Britain; but every one agreed that such a Constitution, except as to the general distribution of departments and powers, was out of the question in reference to this country. The member who was most explicit on this point (a member from New York), declared, in strong terms, that the republican theory ought to be adhered to in this country as long as there was any chance of its success; that the idea of a perfect equality of political rights among the citizens, exclusive of all permanent or hereditary distinctions, was of a nature to engage the good wishes of every good man, whatever might be his theoretic doubts; that it merited his best efforts to give success to it in practice." (This was Hamilton.) "The basis, therefore, of this suggestion fails."

Objection 16th. "So many of them have got into the Legislature, that, aided by the corrupt squadron of paper-dealers who are at their devotion, they make a majority in both Houses."

This has been answered above. Neither description of character is to be found in the Legislature.

In reply to this charge, so far as Hamilton is concerned, the writer may here introduce the following facts. General Henry Lee, once Governor of Virginia, and so famous in the Revolution as Light-Horse Lee, addressed a letter to Hamilton, dated Richmond, November 16th, 1789 (a copy of which is now before me). We quote:

"From your situation, you must be able to form, with some certainty, an opinion concerning the domestic debt. Will it speedily rise? Will the interest accruing command specie, or any thing nearly as valuable?" &c., &c.

"These queries, perhaps, may be improper. I do not think them so, or I would not propound them. Of this you will decide, and act accordingly."

Hamilton replied, New York, December 1st, 1789:

"To H. LEE, ESQ.:

"I have received your letter of the 16th ultimo. I am sure you are sincere, when you say you would not subject me to an impropriety—nor do I know that there would be any—in answering your queries; but you remember the saying with regard to Cæsar's wife. I think the spirit of it applicable to every man concerned in the administration of the finances of the country. With respect to the conduct of such men, suspicion is ever eagle-eyed, and the most innocent things are apt to be misinterpreted.

"Yours, A. HAMILTON."

The writer knows of two other applications of a like character, which were rejected by his father. See Reminiscences, James A. Hamilton, p. 18, for other refusals to give information. The 17th, 18th, and 19th heads are treated together. Thus: "They are rather inferences from, or comments upon, what is before suggested, than specific objections. The answer to them must therefore be derived from what is said under other heads."

Objection 20th. The owers of the debt are in the southern, and the holders of it in the northern, division.

Answer. If this were literally true, it would be no argument for or against any thing; it would be still morally and politically right for the debtors to pay their creditors. But it is in no sense true. The owers of the debt are the people of every State, South, Middle, and North; the holders are the individual creditors, citizens of the United States, Netherlands, Great Britain, &c., &c. He then proceeds to show how and where the debt arose.

Treating of the speculation in State debts, Hamilton says: "It happened that Mr. Madison, and some other distinguished characters of the South, started in opposition to the assumption. The high opinion entertained of them made it be taken for granted, in that quarter, that the opposition would be successful. The securities quickly rose by means of purchases beyond their former prices. It was imagined that they would soon return to their old station by a rejection of the proposition for assuming; and the certificate holders were eager to part with

them at their current prices, calculating on a loss to the purchasers from their fall. This representation is not conjectural; it is founded on information from respectable and intelligent Southern characters, and may be ascertained by inquiry.

"Hence it happened that the inhabitants of the Southern States sustained a considerable loss by the opposition to the assumption from Southern gentlemen, and their too great confidence in the efficacy of that opposition."

Objection 21st. This is a speculation on the course of parties. In the answer to this, Hamilton closes thus: "The anti-Federal champions alluded to may be taught to abate their exultation, by being told that the great body of the Federalists, or rather the great body of the people, are of opinion that none of their predictions have been fulfilled; that the beneficial effects of the Government have exceeded expectation, and are witnessed by the general prosperity of the nation."

Mr. Jefferson has without reserve, and without giving facts or names, publicly declared that Hamilton had bribed members of Congress, and thus established a mercenary majority, ready to sustain all his measures. On the 4th January, 1792, he addressed the following letter to Mr. Madison, then a member of the House of Representatives, Jefferson's Writings, vol. iii., p. 439: "I have not yet had the conversation mentioned in my last" (with Washington, in regard to the alleged corruption). "Do you remember you were to leave me a list of names?" (probably of names of members who he had said had been bribed.) "Pray, send them to me. My only view is, that, if the P." (President) "asks me for a list of particulars, I may enumerate names to him without naming my authority, and show him that I had been speaking merely at random. If we do not have a conversation before I can make a comparative table of debts and numbers of all modern nations, I will show him how highly we stand indebted by the poll in that table."

Jefferson had represented to Washington, before that letter was written, that the members of Congress had been corrupted; and, failing to secure the evidence from Madison, he endeavors, by false and artificial means, to show that the United States had been charged with an amount of debt that would be dangerous.

This is a most disgraceful transaction, and is a conclusive answer to the charge of corruption.

It is possible, but highly improbable, that Mr. Van Buren was ignorant of these Acts of Congress and the Messages of his predecessors. If he was informed on the subject, he has most assuredly wantonly (I might say more) concealed from the public facts, which go to prove his charges against Hamilton, of violating the Constitution as to *the protective system*, as to *the assumption of State debts*, and *the funding system*, are gross violations of the truth. Mr. Van Buren again and again intimates, if he does not directly assert, that Hamilton's imputed violations of the Constitution were prompted by a disposition—nay, a design—to change this Government, and give it a monarchical form.

I have before stated Hamilton's views on this subject, in his answer to the 15th objection, and I now add conclusive evidence that this was a base calumny.

Hamilton, August 1st, 1800, addressed the following letter to John Adams, President of the United States:

"SIR: It has been repeatedly mentioned to me that you have, on different occasions, asserted the existence of a British faction in this country, embracing a number of leading or influential characters of the Federal party (as usually denominated), and that you have sometimes named me, at others plainly alluded to me, as one of this description of persons. And I have likewise been assured that, of late, some of your warm adherents, for electioneering purposes, have employed a corresponding language.

"I must, sir, take it for granted that you cannot have made such assertions or insinuations without being willing to avow them, and to assign the reasons to a party who may conceive himself injured by them. I therefore trust that you will not deem it improper that I apply directly to yourself to ascertain from you, in reference to your own declarations, whether the information I have received has been correct or not; and, if correct, what are the grounds on which you have founded the suggestions.

"With respect, I have the honor to be, sir, your obedient servant."

Hamilton, after waiting two months for an answer to this civil letter, addressed the following letter to John Adams, President of the United States:

NEW YORK, *October 1st*, 1800.

"SIR: The time which has elapsed since my letter of the 1st of August was delivered to you, precludes further expectation of an answer. From this silence I will draw no inference, nor will I presume to judge of the fitness of silence on such an occasion on the part of the chief magistrate of a republic toward a citizen who, without a stain, has discharged so many important public trusts. But thus much I will affirm, that, by whomsoever a charge of the kind mentioned in my former letter may at any time have been made or insinuated against me, it is a base, wicked, and cruel calumny, destitute of even a plausible pretext to excuse the folly or mask the depravity which must have dictated it.

"With due respect, I have the honor to be, sir, your obedient servant.

"(Signed) ALEXANDER HAMILTON."

See works of Hamilton, vol. vii., p. 726.

Mr. Van Buren refers to *Hamilton's Works*. It is possible, but not at all probable, that he did not read these letters. If he did, common fairness would have induced him to refer to them. It is difficult to believe that the man who could express the following sublime truth (as Hamilton did), could have entertained the purpose imputed to him by Van Buren:

"The fabric of American empire ought to rest on the solid basis of the *consent of the people*. The streams of national power ought to flow immediately from that pure original fountain of all legitimate authority."

The early political parties in our country during the War of the Revolution were designated as Whigs and Tories; the former being those who sustained the independence of the colonies, the latter sustaining the royal authority. The men of fortune, and the business men of the city of New York, the same class of persons in the southwest part of Long Island and the southern part of Westchester county, were, with few exceptions, Tories. The animosity of the Whigs against the Tories in New York was so violent and demonstrative, that, when the city was evacuated by the British troops, a small force was left behind to keep the peace; and Washington, being informed of this state of things when he advanced upon the city, sent down a small force to relieve the British soldiers, and to preserve the peace.

So intense was the hatred of the returned Whigs against the Tories, that they attempted to expel them; and suits were prosecuted to confiscate their property, in violation of the provisions of the Treaty of Peace. Under these circumstances, from a sense of duty, Hamilton, in 1789, wrote and published two long letters, under the signature of *Phocion*, which mitigated this violence of feeling and action.

The next party division of the people of the country was that known as Federalists and anti-Federalists, the former being those who were in favor of adopting the Constitution of government formed by the Convention which was held in Philadelphia from May 25th to September 28th, 1787, of which George Washington was President. The Constitution prepared by the Convention was submitted by the Congress held under the Articles of Confederation to conventions to be held in the several States, the members thereof to be elected by the people. When the New York Convention was assembled at Poughkeepsie, it was found that two thirds of the members were opposed to adoption. They were under the lead of George Clinton, who was elected President of the Convention. The leading men in favor of adoption were Chancellor Livingston, Philip Schuyler, John Jay, Alexander Hamilton; and, after a very protracted session, a majority was in favor of adoption.

The leading publications in favor of the Constitution were denominated the *Federalists*.

The leading men of the country, Washington at their head, were earnestly in favor of the adoption. Jefferson was opposed to adoption, unless the proposed Constitution was amended.

Mr. Madison, in the 10th number of the *Federalist*, says: "And according to the degree of pleasure and pride we feel in being republicans, ought to be our zeal in cherishing the spirit and supporting the character of Federalists."

The Constitution having been adopted, and the Government under it organized in 1789, the illustrious Washington was elected President, and John Adams, Vice-President. Washington's Cabinet was: Jefferson, of Virginia, Secretary of State; Hamilton, of New York, Secretary of the Treasury; General Knox, of Massachusetts, Secretary of War; and Edmund Randolph, of Virginia, Attorney-General.

The question which occasioned that division of parties having

thus been settled, the parties could no longer exist on their original differences of opinion.

The next parties which arose were essentially personal; that is to say, they were induced by the aspirations of certain individuals.

Mr. Van Buren, referring to these parties, says: "Mr. Madison was not as genuine a Democrat as Mr. Jefferson was." See p. ——.

Mr. Madison, who wrote No. 10 of the *Federalist*, shows conclusively that the Government formed by the Constitution was *not a democracy*, and he points out the distinction between that and a republic. The former he condemned, the latter he approved; he could not, therefore, be a Democrat, without repudiating what he had written as above quoted, and being disloyal to his Government.

Blackwood, January, 1825, says: "The *Federalist*, which may be called seriously, reverently, the Bible of republicanism. It is a work altogether which, for comprehensiveness of design, strength, clearness, and simplicity, has no parallel. We do not even except or overlook those of Montesquieu and Aristotle among the writings of men."

The first Judge Chase, after mentioning Blackstone and Woodison, speaks of the authors of the *Federalist* as being, in his opinion, superior to both for extensive and accurate knowledge of the true principles of government (3 Dallas Repts., 391).

Doctor Ramsey, in his history of the American Revolution, says of the letters of Publicus, that they will long remain a monument of the strength and acuteness of the human understanding in investigating truth (vol. ii., p. 405).

The *Edinburgh Review*, No. 24: "The *Federalist* is a publication that exhibits an extent of information, a profundity of research, and acuteness of understanding which would have done honor to the most illustrious statesman of ancient or modern times."

Guizot, the ablest statesman of France in modern times, speaking of the *Federalist*, said: "For all that combines a profound knowledge of the great elementary principles of human government with the wisest maxims of practical administration, I do not know, in the whole compass of my reading, whether from ancient or modern authors, so able a work."

We have presented these approvals of that distinguished work, that our fellow-citizens of the present generation may, with a just pride, appreciate the merits of their distinguished authors. The first number was written by Hamilton, in the cabin of an Albany sloop, on his way to Albany; it was issued 27th October, 1787. No. 6 was written by him at Albany, during the sitting of the Supreme Court. He was then in his thirtieth year. John Jay wrote Nos. 2, 3, 4, 5, and 64 (5). James Madison wrote Nos. 10, 14, 37 to 48 inclusive (14). Hamilton and Madison, 18, 19, and 20 (3); and Hamilton wrote all the rest (63). Total 85. The first thirty-six numbers were collected in a small duodecimo volume, and published in March, 1788. A second volume appeared at the close of the same year. Some of the numbers were written by Hamilton, when the printer's boy was waiting for them.

Mr. Jefferson resigned the office of Secretary of State on the 31st December, 1793. Edmund Randolph was called to his place, and Bradford was appointed Attorney-General.

Randolph was driven from the Cabinet in disgrace on the 19th August, 1795. (Hildreth's "History of the United States," 2d series, vol. i., p. 556.) Fanchett's (French Minister) private despatch No. 10 had been intercepted on its way to France by a British cruiser, and, through Lord Grenville, had been transmitted to Hammond, the British Minister at Philadelphia. Asserting the delay in the ratification of the treaty (Jay's treaty) to Randolph's influence, Hammond communicated this despatch to Wolcott, the Secretary of the Treasury, as going to show that intrigues by the Secretary of State (Randolph) had been carried on with the French Minister. Wolcott and Pinckney requested Washington to return with all speed to Philadelphia. On the 19th August, at a Cabinet meeting, Washington presented to Randolph, in the presence of the other Cabinet officers, the original intercepted despatch. He endeavored to make explanations, which he perceived were not satisfactory, and resigned.

Upon examining Randolph's accounts as Secretary of State, it was found that he was a defaulter to over $50,000; and no doubt this infamous suggestion to the French Minister was induced by the hope of covering up this deficiency.

Mr. Gallatin, as Secretary of the Treasury, in his official report, refers to a suit against Randolph then pending for the above amount.

After the Constitution was adopted, and the Government, under the administration of Washington, in successful operation, although the designation of the parties continued for some time to be Federal and anti-Federal, the party divisions were essentially personal, resulting from the ambitious aspirations of Jefferson.

John Randolph, at a later period, declared that, before the election of Washington's successor, it was agreed and well understood among them that Jefferson, Madison, and Monroe should be elected Presidents in succession; and such was the result of Jefferson's party management, and to that end, as we shall show, he endeavored to destroy the popularity of every man who might be a competitor for the office, or whose influence might be given to the support of such competitors. He well knew that Washington approved the financial measures of Hamilton, which were carried through Congress by the Federal party; he therefore endeavored to impair Washington's influence, as we will prove. This was the beginning of the new party organizations.

Mr. Jefferson, when Secretary of State, employed Freneau, a printer from New York, as translating clerk in his department, who directly established a newspaper. That newspaper was the oracle of that party which sustained Mr. Jefferson and abused all the measures approved by Washington. In confirmation of this, we refer to Jefferson's *Ana*, vol. iv. (Jefferson's Writings), p. 485, May 23d, 1793: "He (the President) adverted to a piece in Freneau's paper of yesterday. He said he despised all their attacks on him personally, but there never had been an act of the Government, not meaning in the Executive line only, but in any line, which that paper had not abused." * * * "He was evidently sore and warm, and I took his intention to be that I should interpose in some way with Freneau—perhaps withdraw his appointment of translating clerk to my office; but I will not do it."

Again, vol. iv., p. 491, August 2d, 1793: "Knox, in a foolish, incoherent speech, introduced the pasquinade lately printed, called the 'funeral of George W——n,' when the President was placed on a guillotine. The President was much inflamed; got into one of those passions where he cannot command himself; ran on much on the personal abuse which had been bestowed upon him; defied any man on earth to produce one single act of

his, since he had been in the Government, which was not done on the purest motives; that he had never repented but once the having slipped the moment of resigning his office, and that was every moment since; that, *by God*, he had rather be in his grave, than in his present situation; that he would rather be on his farm, than emperor of the world; and yet, that they were charging him with wanting to be a king; that *that rascal Freneau* sent him three of his papers every day, as if he thought he would become the distributor of his papers; that he could see in this but an impudent design to insult him. He ended in this high tone."

Smucker's "Life and Times of Thomas Jefferson," p. 213, referring to Freneau's newspaper, says: "The *National Gazette* had been established by Mr. Jefferson, and its leading articles continually and bitterly attacked Washington and Hamilton, and their measures. In many of these articles the style of Jefferson was clearly detected, and the abuse of the President was most execrable."

After Jefferson's return to Monticello, in 1793, it is certain that his residence became for several years the headquarters of those who were opposed to the administration of Washington. Smucker, p. 219.

Mr. Pickering, says Callender, in 1800, wrote a work called "*The Prospect Before Us*," in which he writes of Washington, thus: "By his own account, therefore, Mr. Washington *has been twice a traitor*." (The italics are ours.) "He first renounced the king of England, then, after, the old confederation." "The extravagant popularity possessed by this citizen reflects the utmost ridicule on the discernment of the Americans." "He approved of the funding system, the assumption, the national banks, and, in contradiction to his own solemn promise, he authorized the robbery and ruin of the remnant of his own army." This work was written and printed under the contrivance, patronage, and pay of Mr. Jefferson, who wrote the two following letters to Callender, which came into Pinckney's possession; who says "both were in Jefferson's handwriting—to me perfectly well known."

Extract of a letter from Thomas Jefferson to Mr. Callender, dated Monticello, September, 1799:

"Mr. Jefferson happens to be here, and directs his agent to

call on you with this, and pay you $50, on acount of the book you are about to publish. When it shall be out, be so good as to send me two or three copies, and the rest only when I shall ask for them. With every wish for your welfare, I am, with great regard, your most obedient servant.

"Mr. Callender. THOMAS JEFFERSON."

The other letter is dated Monticello, October 6th, 1799. The first lines acknowledge the receipt of a letter from Callender of September 29th, 1799, and concludes with these words:

"I thank you for the *proof-sheets* you enclose me. Such papers cannot fail to produce the best effect. They inform the thinking part of the nation, and these again, supported by the tax-gatherers as their vouchers, set the people to rights. You will know from whom this comes without a signature, the omission of which has been rendered almost habitual with me by the curiosity of the post-officers. Indeed, a period is now approaching during which I shall discontinue writing letters as much as possible, knowing that every snare will be used to get hold of what may be perverted in the eyes of the public. Adieu.

"Mr. JAMES THOMPSON CALLENDER, Richmond."

Callender was convicted of a libel by a jury at Richmond, Va., fined and imprisoned, and pardoned by President Jefferson.

The above are extracts from a pamphlet written by Pickering. My impression is, that Jefferson admitted that he addressed these letters to Callender, but asserted that the money was given by him as a charity.

Hildreth's "History of the United States," vol. iii.: "There was, indeed, some disposition to throw the blame of the late disasters in Virginia (during the Revolution) on Mr. Jefferson, and a motion was made in the Assembly for his impeachment. He was charged with cowardice. When he was seeking popularity, he well knew that the officers of the late army, members of the Society of the Cincinnati, would be opposed to him."

In 1786, Jefferson wrote an article for M. de Menonier (Jefferson's Works, vol. i., p. 416), in which he speaks of this Society in strong terms of approbation. "This institution would be an instrument the more for strengthening the federal bond and for promoting federal ideas. It was founded exclusively on sentiments of benevolence and friendship, was innocent in its origin, and no less innocent in its effects." This, he says, is the

true history of the Society. Afterward, when he was seeking popularity, well knowing that the members of this Society—military men—would not give their votes and influence to a man whose courage had been so seriously impeached, he endeavored to induce Washington to suppress it, and to Mr. Madison he described the Society as a body "cowering over the Constitution eternally," and "carving out for itself hereditary distinctions."

H. Lee, in his "Observations on the Writings of Thomas Jefferson," p. 34, says: "Whereas the article fabricated for Mr. Madison was a thread in that web of misrepresentations which he was weaving round the character of General Washington—a web of torments—these torments were cruelly inflicted for the purpose of bringing his own claims before the people with a better chance of success."

As to Jefferson's character, John Adams, in a letter to Cunningham, referring to Mr. Jefferson, says: "I wish him no ill." "I envy him not." "*I shudder at the calamities* which, I fear, his conduct is preparing for his country, from a mean thirst of popularity and inordinate ambition and want of sincerity."

Jefferson, in a letter to Mann (Jefferson's Writings, vol. v., p. 315), says: "Our part of the country is in considerable fermentation on what they suspect to be a recent roguery of this kind: they say, while all hands were below deck mending sails, a rogue of a pilot has run them into an enemy's port. But, metaphor apart, there is much dissatisfaction with Jay's treaty."

And to Madison (p. 316) he writes: "Thus it is that Hamilton, Jay, &c., in the boldest act they ever ventured to undermine the Government, have the address to screen themselves, and to direct the hue and cry against those who wished to drag them into light."

To Madison (p 324) he writes: "The whole mass of your constituents have condemned this work (Jay's treaty) in the most unequivocal terms, and are looking to you as their last hope, to save them from the effects of the avarice and corruption of the first against Jay, the revolutionary machinations of others (Hamilton and his friends), and the incomprehensible acquiescence of the only honest man (General Washington), who has assented to it. I wish that his honesty and his political errors may not furnish a second occasion to exclaim, "Curse on his virtues; they have undone his country!" This was Jefferson's course, in 1796.

Washington, in a letter to Hamilton, dated 16th May, 1796, in relation to the farewell address, says: "It will be perceived from hence that I am attached to the quotation. My reasons for it are, that it is not only a fact that such an address was written, and on the point of being published, but known also to one or two of those characters who are now strongest and foremost in the opposition to the Government, and consequently to the person administering it contrary to their views." (Hamilton's Writings, vol. vi., p. 120.)

Madison wrote that quoted part, and Jefferson was made acquainted with that fact. *These were "two of those characters."*

Jefferson, in his *Ana* (Jefferson's Writings, vol. iv., p. 446), says: "I returned from that mission in December, 1789, and proceeded to New York, March 4th, 1790." * * * "Hamilton's financial system had then passed. It had two objects: 1st, as a puzzle, to exclude popular understanding and inquiry; 2d, as a machine for the corruption of the Legislature. And with grief and shame it must be acknowledged that his machine was not without effect; and even in this the birth of our Government, some members were found sordid enough to bend their duty to their interests, and to look after personal rather than public good." Page 447, he adds: "Men thus enriched by the dexterity of a leader, would follow, of course, the chief who was leading them to fortune, and become the zealous instruments of all his enterprises. This game was over, and another one on the carpet at the moment of my arrival." To all this it can only be answered, that no fact or circumstance is stated to sustain such a charge. On the contrary, it is proved that, when General Lee, and others, applied to Hamilton for information as to his financial schemes, it was promptly and persistently refused.

The correspondence with Henry Lee, before given, is a conclusive answer to Jefferson's charge, that Hamilton had corrupted members of Congress, and others, by communicating to them his proposed financial measures; of which charges Jefferson does not give, or attempt to give, any proof whatever.

I conclude this work, undertaken in obedience to a sense of duty to my father, by endeavoring to show that the author of so malignant an attack upon a man who had rendered signal

service to his country, was prompted by the inspirations of Mr. Jefferson.

Mr. Van Buren, p. 421: "The measures of which I have spoken as the cherished policy of the old Federal party and its successors, taken as a whole, were justly described by Jefferson, in his much-abused letter to Mazzei, as a contrivance invented for the purpose of corruption, and for assimilating us in all respects to the rotten as well as the sound parts of the British Constitution." During Mr. Van Buren's visit to Mr. Jefferson in 1824, it is highly probable that the latter impressed upon the former the opinions and purposes attributed to Hamilton.

JAMES A. HAMILTON.

JANUARY, 1870.

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